



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3251

by Rep. Jack D. Franks

SYNOPSIS AS INTRODUCED:

55 ILCS 5/Div. 5-44 heading new
55 ILCS 5/5-44005 new
55 ILCS 5/5-44010 new
55 ILCS 5/5-44015 new
55 ILCS 5/5-44020 new
55 ILCS 5/5-44025 new
55 ILCS 5/5-44030 new
55 ILCS 5/5-44035 new
55 ILCS 5/5-44040 new
55 ILCS 5/5-44045 new

Amends the Counties Code. Adds a Division addressing local government reduction and efficiency. Provides the General Assembly's findings regarding units of local government and possible inefficiencies. Permits the question of dissolution of a unit of local government to be proposed to the voters of the county either by resolution of the county board or by petition by the voters. Provides that the referendum shall designate the county department or officer, or both, that shall assume the powers, duties, assets, records, property, liabilities, obligations, and responsibilities of the dissolved unit. Further provides for any outstanding indebtedness of the unit, abatement of any tax levied by the unit, and pending litigation involving the unit. Effective immediately.

LRB098 10963 OMW 41581 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by adding the
5 Division 5-44 to Article 5 and Sections 5-44005, 5-44010,
6 5-44015, 5-44020, 5-44025, 5-44030, 5-44035, 5-44040, and
7 5-44045 as follows:

8 (55 ILCS 5/Div. 5-44 heading new)

9 Division 5-44. Local Government Reduction and Efficiency

10 (55 ILCS 5/5-44005 new)

11 Sec. 5-44005. Findings. The General Assembly finds:

12 (a) Illinois has more units of local government than any
13 other state;

14 (b) The large number of units of local government results
15 in the inefficient delivery of governmental services at a
16 higher cost to taxpayers;

17 (c) In a number of cases, units of local government provide
18 services that are duplicative in nature, as they are provided
19 by other units of local government;

20 (d) It is in the best interest of taxpayers that more
21 efficient service delivery structures be established in order
22 to replace units of local government that are not financially

1 sustainable;

2 (e) Units of local government managed by appointed
3 governing boards not directly accountable to the electorate can
4 encourage a lack of oversight and complacency that is not in
5 the best interest of taxpayers;

6 (f) Various provisions of Illinois law governing the
7 dissolution of units of local government are inconsistent and
8 outdated; and

9 (g) The lack of a streamlined method to consolidate
10 government functions and to dissolve units of local government
11 results in an unfair tax burden on the citizens of the State of
12 Illinois residing in those units of local government and
13 prevents the expenditure of limited public funds for critical
14 programs and services.

15 Therefore, the General Assembly deems it advisable and in
16 the best interests of the residents of Illinois that county
17 boards exercise supplemental authority regarding the
18 dissolution of local units of government and the consolidation
19 of governmental functions.

20 (55 ILCS 5/5-44010 new)

21 Sec. 5-44010. Applicability. The powers and authorities
22 provided by this Division 5-44 apply to all counties in this
23 State.

24 (55 ILCS 5/5-44015 new)

1 Sec. 5-44015. Powers; supplemental. The Sections of this
2 Division 5-44 are intended to be supplemental and in addition
3 to all other powers and authorities granted to any county
4 board, shall be construed liberally, and shall not be construed
5 as a limitation of any power or authority otherwise granted.

6 (55 ILCS 5/5-44020 new)

7 Sec. 5-44020. Definitions. In this Division 5-44:

8 "Governing board" means the individual or individuals who
9 constitute the corporate authorities of a unit of local
10 government; and

11 "Unit of local government" or "unit" means any special
12 district or unit of local government, as defined by Article
13 VII, Section 1 of the Illinois Constitution excluding a county,
14 township, or municipality, located entirely within one county,
15 but shall not include a fire protection district that directly
16 employs more than 3 regular full-time employees.

17 (55 ILCS 5/5-44025 new)

18 Sec. 5-44025. Dissolution of units of local government.

19 (a) Dissolution by county board.

20 (1) Proposal of dissolution. A county board may, by
21 resolution, propose the dissolution of any unit of local
22 government. The resolution shall be adopted 180 days prior
23 to the next general election, detail the purpose and cost
24 savings to be achieved by such dissolution, and be

1 published in a newspaper of general circulation served by
2 the unit of local government and on the county's website,
3 if applicable.

4 Upon the effective date of a resolution enacted
5 pursuant to this subsection, the chairman of the county
6 board shall cause an audit of all claims against the unit,
7 all receipts of the unit, the inventory of all real and
8 personal property owned by the unit or under its control or
9 management, and any debts owed by the unit. The chairman
10 may, at his or her discretion, undertake any other audit or
11 financial review of the affairs of the unit. The person or
12 entity conducting such audit shall report the findings of
13 the audit to the county board and to the chairman of the
14 county board within 30 days.

15 (2) Dissolution; referendum. Following the return of
16 the audit report described in subsection (a) of this
17 Section, the county board may, by ordinance, propose the
18 dissolution of the unit of local government to the electors
19 of the county at a general election or consolidated
20 election in accordance with general election law. The
21 ordinance shall designate the county department or
22 officer, or both, that shall assume the powers, duties,
23 assets, property, liabilities, obligations, and
24 responsibilities of the dissolved unit including, but not
25 limited to: (1) assuming all taxing authority of the unit;
26 (2) distributing existing revenue of the unit; (3) closing

1 up all unfinished business of the unit; and (4) selling and
2 disposing of any of the property belonging to the unit, as
3 fully as might have been done by the unit itself, for the
4 benefit of the inhabitants of the county.

5 The proposition shall be in substantially the
6 following form:

7 Shall the [unit of local government] be
8 discontinued in [name of county] and all duties,
9 assets, property, liabilities, obligations, and
10 responsibilities of [unit of local government] be
11 assumed by [county department or officer, or both]?

12 The votes shall be recorded as "Yes" or "No".

13 If it appears by the returns of the election that a
14 majority of the votes of the county cast on the question of
15 the dissolution of the unit of local government at the
16 election are in favor of the proposed dissolution, then
17 that unit of local government shall cease in the county 75
18 days following the date of the election that the
19 proposition was approved by the electors. Upon
20 discontinuance of the unit of local government, all powers,
21 duties, assets, records, property, liabilities,
22 obligations, and responsibilities of the unit shall be
23 assumed by the proposed county department or officer, or
24 both.

25 Upon the dissolution of a unit of local government, the
26 records of the unit shall be deposited in the county

1 clerk's office.

2 (b) Dissolution by petition. Upon the petition of at least
3 500 persons, or 2% of the registered voters of a county,
4 whichever is greater, as determined on the date registration
5 closed before the regular election next preceding the last day
6 on which the petition may be filed, the county board shall
7 certify and cause to be submitted to the voters of the county
8 at the next general election the question of the dissolution of
9 the unit of local government. The county board shall certify
10 the question no later than 150 days prior to the next general
11 election.

12 A signature on a petition shall not be valid or counted in
13 considering the petition unless the form requirements are
14 complied with and the date of each signature is less than 90
15 days before the last day for filing the petition. The statement
16 of the person who circulates the petition must include an
17 attestation (i) indicating the dates on which that sheet was
18 circulated, (ii) indicating the first and last date on which
19 that sheet was circulated, or (iii) certifying that none of the
20 signatures on the sheet was signed more than 90 days before the
21 last day for filing the petition. The petition shall include
22 the unit of local government to be dissolved and the unit of
23 local government that shall assume the powers, duties, assets,
24 property, liabilities, obligations, and responsibilities of
25 the dissolved unit including, but not limited to: (1) assuming
26 all taxing authority of the unit; (2) distributing existing

1 revenue of the unit; (3) closing up all unfinished business of
2 the unit; and (4) selling and disposing of any of the property
3 belonging to the unit, as fully as might have been done by the
4 unit itself, for the benefit of the inhabitants of the
5 municipality. The petition must be filed at least 180 days
6 prior to the next general election.

7 Objections to the petition shall be filed within 10 days of
8 filing the petition and shall be heard by the county electoral
9 board.

10 The proposition shall be substantially in the form:

11 Shall the [unit of local government] be discontinued in
12 [name of county] and all duties, assets, property,
13 liabilities, obligations, and responsibilities of [unit of
14 local government] be assumed by [county department or
15 officer, or both]?

16 The votes shall be recorded as "Yes" or "No".

17 If it appears by the returns of the election that a
18 majority of the votes of the county cast on the question of the
19 dissolution of the unit of local government at the election are
20 in favor of the proposed dissolution, then that unit of local
21 government shall cease in the county 75 days following the date
22 of the election that the proposition was approved by the
23 electors. Upon discontinuance of the unit of local government,
24 all powers, duties, assets, records, property, liabilities,
25 obligations, and responsibilities of the unit shall be assumed
26 by the proposed county department or officer, or both.

1 (55 ILCS 5/5-44030 new)

2 Sec. 5-44030. Outstanding indebtedness.

3 (a) In case any unit dissolved pursuant to this Division
4 has bonds or notes outstanding that are a lien on funds
5 available in the treasury at the time of consolidation, such
6 lien shall be unimpaired by such dissolution and the lien shall
7 continue in favor of the bond or note holders. The funds
8 available subject to such a lien shall be set apart and held
9 for the purpose of retiring such secured debt and no such funds
10 shall be transferred into the general funds of the county.

11 (b) In case any unit dissolved pursuant to this Division
12 has unsecured debts outstanding at the time of dissolution, any
13 funds in the treasury of such unit or otherwise available and
14 not committed shall, to the extent necessary, be applied to the
15 payment of such debts.

16 (c) All property in the territory served by the dissolved
17 unit of government shall be subject to taxation to pay the
18 debts, bonds, and obligations of the consolidated district. The
19 county board shall abate such taxation upon the discharge of
20 all outstanding obligations.

21 (55 ILCS 5/5-44035 new)

22 Sec. 5-44035. Abatement of levy. Whenever a county has
23 dissolved a unit of local government pursuant to this Division,
24 it shall, within 6 months of the effective date of the

1 dissolution and every year thereafter, determine whether to
2 continue any existing tax levy of the unit of government
3 dissolved under this Division by a vote of the majority of the
4 members of the county board.

5 (55 ILCS 5/5-44040 new)

6 Sec. 5-44040. Tax collection and enforcement. The
7 dissolution of a unit of government pursuant to this Division
8 shall not adversely affect proceedings for the collection or
9 enforcement of any tax. Those proceedings shall continue to
10 finality as though no dissolution had taken place. The proceeds
11 thereof shall be paid over to the treasurer of the county to be
12 used for the purpose for which the tax was levied or assessed.
13 Proceedings to collect and enforce such taxes may be instituted
14 and carried on in the name of the unit.

15 (55 ILCS 5/5-44045 new)

16 Sec. 5-44045. Litigation. All suits pending in any court on
17 behalf of or against any unit dissolved pursuant to this
18 Division may be prosecuted or defended in the name of the
19 county by the state's attorney. All judgments obtained for any
20 unit dissolved shall be collected and enforced by the county
21 for its benefit.

22 Section 99. Effective date. This Act takes effect upon
23 becoming law.